

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** April 23, 2007  
**POSITION:** Oppose

**BILL NUMBER:** SB 460  
**AUTHOR:** D. Florez

### **BILL SUMMARY:** Kings Canyon Unified: Necessary Small School Funding

This bill would provide Dunlap High School in the Kings Canyon Unified School District with necessary small school (NSS) funding, but would limit the funding to that available for no more than three teachers.

Current law (EC §42280 et al.) provides eligible school districts with enhanced funding for NSS. To qualify as a NSS, a school must meet the following criteria: (1) be an elementary school with 96 or less average daily attendance (ADA), or a high school with 286 or less ADA; (2) have a specified number of pupils that must travel more than certain mileage limits; and (3) reside in a district with an ADA of less than 2,501. Districts may request an exemption to the mileage provision if the roads are unusually treacherous or considered impassable for at least two weeks out of the school year. The state bases NSS funding on either the ADA of the school or the number of teachers (for elementary schools) or certificated employees (for high schools) in the school, whichever yields the lesser amount of funding.

The Kings Canyon Unified School District plans to construct a new high school to serve students graduating from the Dunlap Elementary School located in the Sierra foothills. According to the district, students after completing the 8<sup>th</sup> grade at Dunlap Elementary School must travel long distances (90-minute bus ride each way) to attend a high school in the San Joaquin Valley or continue their education through independent study. The author's office advises that the revenue limit funding generated by the expected enrollment of 60 pupils would not be sufficient to support the new high school. Since the Kings Canyon Unified School District's ADA is greater than 2,501 (the district's ADA was 8,818 in 2005-06), the new high school would not be eligible for NSS funding under current law.

### **FISCAL SUMMARY**

Compared to current law, this bill would result in increased Proposition 98 General Fund costs of approximately \$100,000 annually. For 2006-07, standard revenue limit funding for 60 ADA (expected enrollment for the proposed Dunlap High School) within the Kings Canyon Unified School district would be roughly \$334,000 (\$5,596 base revenue limit per 60 ADA). This exception would allow the district to receive \$434,000 (not including possible add-on funding) for the school.

### **COMMENTS**

Finance opposes this bill as it would undermine the purpose of current law and create a Proposition 98 General Fund cost pressure for the state to make an exception to the NSS funding qualification requirements.

The district's ADA of 8,818 is well over the statutory cap of 2,501 for NSS funding. Therefore, Finance maintains that the district should have sufficient flexibility to establish school and class sizes that avert the need for enhanced funding.

Finance also notes that this bill limits the funding level to that provided for three "teachers" rather than "certificated employees" as specified for necessary small high schools in current law.

Analyst/Principal (0352) B. Taylor	Date	Program Budget Manager Jeannie Oropeza	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

<b>BILL ANALYSIS</b>	Form DF-43 (Rev 03/95 Buff)
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**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)****Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

D. Florez

April 23, 2007

SB 460

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2006-2007	FC	2007-2008	FC	2008-2009	Code
6110/Dept of Educ	LA	Yes	C	\$0	C	\$100	C	\$100	0001